



Message of the Week

April 9-15, 2003

Presented by Rep. Mike Pence (R-IN)

“The American people are over-taxed.”

- April 15th is a reminder that Americans are over-taxed, and the federal government is the main culprit.
- The federal government taxes Americans when they earn money, save money, invest money, get on an airplane, talk on the telephone, put gas in their cars, drink beer, and smoke a cigarette.
- The federal tax code is so complex that Americans will spend an estimated six billion hours and almost 200 billion dollars complying with it!
- Ultimately, the American people deserve a completely new tax code—not one that’s tweaked around the edges.
- Until tax-code replacement becomes politically feasible, Congress should make the tax code fairer and simpler.
- Some ways to do this include:
 - Eliminating the double taxation of dividends;
 - Accelerating and making permanent the Bush tax cuts of 2001;
 - Eliminating or sharply reducing the capital gains tax for individuals and small businesses;
 - Repealing the 1993 income tax increase on Social Security benefits;
 - Removing the tax on interest earned from savings accounts;
 - Lowering the tax on American companies’ foreign earnings brought home to the U.S.;
 - Eliminating the “e-rate” surcharge on taxpayers’ monthly telephone bills;
 - Permanently extending the moratorium on taxing Internet access; and
 - Making military death gratuities exempt from the federal income tax.
- Many of these provisions would be feasible under the President’s Economic Growth Package and the House Budget. The Senate Budget would not accommodate many of them.
- Over the next eleven years, the federal government is projected to collect approximately \$29 *trillion* dollars in taxes! The \$726 billion in tax relief proposed by the House Budget would reduce revenues by a mere 2.5% over ten years—which would easily be recouped from the economic growth stimulated by the tax cuts.